

MINUTES

REGULAR MEETING OF JANUARY 24, 2018 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairwoman Kendra Wong on Wednesday, January 24, 2018 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

On roll call, present were Trustees Matthew Dent, Peter Morris, Phil Horan, Tim Callicrate, and Kendra Wong.

Also present were District Staff Members Communications Coordinator Misty Moga, Director of Public Works Joe Pomroy, Director of Finance Gerry Eick, Director of Human Resources Dee Carey, Director of Parks and Recreation Indra Winquest, Diamond Peak Ski Resort Manager Mike Bandelin, Director of Information Technology Jeremy Breeden, and Director of Asset Management Brad Johnson.

Members of the public present were Randy Jones, Pete Todoroff, Steve Dolan, Linda Newman, Margaret Martini, Aaron Katz, Frank Wright, Andy Wolf, and others.

(64 individuals in attendance at the start of the meeting which includes Trustees, Staff and members of the public.)

C. PUBLIC COMMENTS*

Margaret Martini read from a prepared statement which is hereto attached.

Aaron Katz said that he had a written statement that he will be submitting and that he was here to speak about the DPSEF agreement. He is glad the kids are here to hear this subject as this is an example of civics that they need to learn. He has no problem with the ski team or what it is does rather the problem is the millions of dollars of subsidies paid for by property owners that serves two hundred. This is an example of everything that is wrong, example of IVGID culture, example of

takers wanting over eight thousand parcel owners to subsidize their activities, and not caring about others. The face of this is Staff but don't kid yourself that Staff is the one who wrote it. This memorandum makes you think that the cost is just over \$16,000, no, the cost is over one million dollars. Read his statement as he picked it apart and the costs are over one million dollars. This memorandum hasn't included the subsidies like the selling of the advertising on the back of chairs. Hold off on this item, get the facts, represent the local property owners, and do the right thing as you are paying all this money as a subsidy.

Frank Wright said after illegally launching a lawsuit against Kevin Lyons who is now being labeled as a vexatious litigant, you have a problem with the General Counsel and General Manager. They have taken our community away from us as we don't have a Board acting in a legal manner rather we have a Board that rubber stamps. He never sees any questioning like why are we suing the community. What was he doing – making questions about this community on how you Board members should be voting. They don't want that because it is honest information. Rather than stop these guys, who never came to you, he asked for the legal bills which he hasn't gotten, just on Kevin Lyons lawsuit. General Counsel gets ten thousand dollars per month and seven thousand dollars per month from the fire district. He is ripping our community apart financially and you never ask the question what this is costing us. Why are we doing this to a community member; these are our residents and the people who are paying the bills. He has brought so much to you. Our General Counsel cherishes the Open Meeting Law as he is ripping us off, you don't understand it, and he thinks it is time for you to stand up.

Linda Newman read from a prepared statement which is hereto attached.

Randy Jones said that he was not here with a complaint but rather to ask the Board as part of this session or as part of agenda, specifically Item E.1., if we could get a brief update on the ski area master plan as we in the community would like a little update.

Andrea Lynn, parent of DPSEF's U12 and U14 skiers, spoke in support of the DPSEF agreement.

Madeline Lynn, a DPSEF U14 skier, spoke in support of the DPSEF agreement.

Debra Krantz, parent of DPSEF's U14 and Mighty Mite skiers, spoke in support of the DPSEF agreement.

Ed Prososki said that all the negativity here is something else. He is here to say what a great job is being done at Diamond Peak and that he has four grandchildren who visited over the holidays and they did multiple runs and his grandchildren had the time of their life. You are really doing a great job up there.

Steve Dolan distributed a document to the Board which is attached hereto and then thanked the Board for the hard work you do and working endless hours. He would like to say that he was really surprised as he had no idea they had solid gold skis and a budget of one million dollars. The work they do for the community is exceptional as they go all over the West Coast and show our colors. The DPSEF coaches are former Olympians who are highly qualified, nurturing, and part of the real budget that should be considered is advertising money. Diamond Peak is shown all over the country and people love to see this mountain. He thinks the Diamond Peak Ski Team does a great job with promoting our community and their safety practices is another benefit/reason that he encourages the Board to do this.

Feather James, parent of DPSEF's U8 and U10 skiers, spoke in support of the DPSEF agreement.

Gordon Meyer said he has been a resident since 1999 and that there was a comment made earlier about how Incline Village has changed; he agrees with that person as it has changed and not necessarily for the better because Diamond Peak used to be able to give a ski pass to the AmeriCorp workers but that stopped and could give Boy Scouts a pass, that's changed too. It has all changed because of a very small group of individuals. His kids have been on the DPSEF team, they love the sport, coaching has outstanding, and it has developed their personality – they have high degree of independence, confidence, both are excellent students, and a lot is because of ski team. Not sure how the ski team costs one million dollars and many would scratch their head at that statement. He is really curious why Mr. Katz has stated that the ski team costs over one million dollars and why the residents are coughing up that money – nothing could be further from the truth. DPSEF has Ullr Fest coming up which is their biggest fundraiser.

Valerie Taylor, parent of former DPSEF skier and administrator of the ski team, spoke in support of the DPSEF agreement.

Rosemary Hepern, DPSEF skier, spoke in support of the DPSEF agreement.

Rachel Meyer, DPSEF skier, spoke in support of the DPSEF agreement.

Steve MacNamara, parent of DPSEF's Mighty Mite skiers, spoke in support of the DPSEF agreement.

Andy Wolf, President of DPSEF, said that he provided, in granular detail, a memorandum that he circulated to the Board of Trustees and that the previous speakers captured what DPSEF is all about very well and that he too is here to speak in support of the DPSEF agreement. Mr. Wolf also noted that fellow DPSEF Board member Ryan Ritchie was unable to attend tonight but he too is in support of the DPSEF agreement in front of this Board.

Brent Wolf, U-19 athlete on the DPSEF ski team, spoke in support of the DPSEF agreement.

Corey Ritchie, member of the DPSEF ski team, spoke in support of the DPSEF agreement.

Brighton Seward, member of the DPSEF ski team, spoke in support of the DPSEF agreement.

Clark Chuka said a couple of weeks ago he got a new chair and that he put the box it came in between his trash toter and recycling toter and that this action has now turned into a bureaucratic nightmare. Zero tolerance isn't working without getting a fine from his homeowners association so he is asking the Board to find a way to revisit the zero tolerance. He has experienced two weeks of e-mails and phone calls and he understands he shouldn't haven't left it where he did but now he has cans outside that won't be picked up. Please revisit the whole Waste Management and trash thing as he has left messages without call backs so he is in trash limbo and he can't get rid of the toters he can't use. Get rid of zero tolerance as he understands why he was fined and it was a cardboard box not a chicken dinner for a bear. We need a little rationality so please fine tune it.

Diane Morrison, parent of two DPSEF's skiers, spoke in support of the DPSEF agreement.

Ashlin James, member of the DPSEF ski team, spoke in support of the DPSEF agreement.

Meshia Devre spoke in support of the DPSEF agreement.

D. APPROVAL OF AGENDA (for possible action)

Chairwoman Wong asked for changes to the agenda, none were made, so Chairwoman Wong said that the agenda is approved as submitted.

E. DISTRICT STAFF UPDATE

E.1. Diamond Peak Ski Season to date (Presenting Staff Member: Diamond Peak Ski Resort General Manager Mike Bandelin)

Diamond Peak Ski Resort General Manager Mike Bandelin gave a verbal update on the season to date and, when asked by Chairwoman Wong, provided a quick update on the status of the Diamond Peak Ski Resort Master Plan; in summary, the plan is in the hands of the United States Forest Service for their review/work.

Chairwoman Wong congratulated Staff on their season to date especially during the busy holiday season.

Trustee Morris added his congratulations as well and stated especially in light on the last couple of weeks.

Trustee Horan said that the public comments are the endorsement of the well run activity at Diamond Peak.

F. GENERAL BUSINESS (*for possible action*)

F.1. Review, discuss, and possibly approve the agreement between the Diamond Peak Ski Education Foundation (DPSEF) and the Incline Village General Improvement District covering the period December 14, 2017 to June 30, 2022 (Requesting Staff Member: Diamond Peak Ski Resort General Manager Mike Bandelin)

Diamond Peak Ski Resort General Manager Bandelin gave an overview of the submitted materials.

Trustee Callicrate said he has always been in support of DPSEF, was on the Board the last time, and that he is planning on supporting the DPSEF agreement however he does have a couple of concerns but they speak to the broader question. He would like to have the current or previous contract included with strikethroughs and would have liked to have seen the existing DPSEF contract. He has requested it previously and noted that there are some good points made in the memorandum. Mr. Wolf sent out the actual

costs/financial values thus he would have liked that included and more in depth to give a broader picture. There are concerns about the financials; we have a twenty eight year history together so we should have those readily accessible on what we spent and what is the return on investment. This is an extreme valuable asset and having that list once a year, readily accessible, would make it easier to answer those questions from the community. Maybe have on a two year time period becomes it makes it more salient to whomever is on the Board. Furthermore this comment goes to all the non-profits that writing a four or five year contract could be problematic thus a two year contract would reach over and brings it back to the Board so the Board can discuss it while keeping it a little more timely. We can't change it now and vote on it and he doesn't want to put something off. If these changes can be made, as they need to be made because it shows DPSEF and IVGID are complying with our Board policies, then he would like it to come back on a yearly basis. For the financials, which is 13. on agenda packet page 20, who is the overseer of all non-profits - it is the Board and not the District. He would like this to be a little more cut and dry as it is important to address so we don't have to come back but he does want this to move forward because it is invaluable. This is a great opportunity to continue but we need to address the clerical items, financials coming back to the Board annually, and putting on the Board. His concerns are valid because they were brought to him by community and he is in full support but a few changes need to be made. Chairwoman Wong asked what more is needed than what is shown on agenda packet page 8. Trustee Callicrate said what Mr. Wolf sent to us in a detailed format would allay any fears of the community as his memorandum really spells it out in much more detail. The memorandum is roughly seven pages and had it been included it could have helped. District General Manager Pinkerton said that Mr. Wolf's correspondence will be in the next Board packet as correspondence received. Diamond Peak Ski Resort General Manager Bandelin said an end of season evaluation will be provided. Trustee Callicrate said that he would like to have had the previous contract so we can stop those who are against or riding on the fence as it helps those on the fence by saying here is what it is. Chairwoman Wong said that she commends Staff for providing an easy to read memo and that she liked the outline of the memo as it made it very easy so thank you for the work put in on the memo. Trustee Morris said, as a comment to the public and particularly to the students who came forward to speak, he is impressed with each of them and it is so good to see kids/students here at our Board meeting; kudos to everyone who came forward. On the agreement itself, he respects what Trustee Callicrate said and that he is very happy to vote on what we have before us. His duty is to

be a part of the decision and he takes it seriously as he has to make a decision for the community. As a disclosure, he used to be a parent of a child on the DPSEF ski team and he has no issues here. District General Counsel Guinasso said that the disclosure is fine and there is no need to abstain. Trustee Morris said what the ski team does is tremendous, students did a great job, and they are a very good advertisement for the community of Incline Village and the ski hill. So often we are talking about others than kids and he is here because he wants to represent everybody. This is a tremendous program, cost is extremely low, and if didn't have a ski team, the kids would go elsewhere and we would lose revenue. They do great things for us and the community which actually benefits us – we are selling more passes, food, etc. He is happy to vote on a five season agreement where the cost is sixteen thousand dollars and the value is a million plus as it is a great program and he likes it. Trustee Dent thanked everyone with DPSEF for being here and he does have a few concerns. He is echoing what Trustee Callicrate brought up - do like the change but can't verify that. When it comes to the renewal, instead of approving a five year agreement, he would like it to go to the Board for approval each year and asked that this is considered because that way future Boards can change it. This relationship has been going on for thirty years so it will probably go on. When it comes to the presentation, whoever is coming before the Board, it would be great if the representative from the non-profit represented it instead of a member of Staff. If the non-profit wants to create the agreement and work together with the District then he thinks it would be good to have that representation. Curious where the other Trustees are in approving the agreement, on an annual basis, like what Trustee Callicrate brought up as we are the ones entering into the agreement so we should have the authority to do amendments; are there any comments from my fellow Trustees? Chairwoman Wong said that all of our contracts are public and that past contracts can always be accessed via our previous packets and by requesting previous contracts. Comparing DPSEF to our audit firm, who is a service provider and we pay them, we don't pay DPSEF in terms of that contract so that is not an equivocal comparison to make. She is fine with approving a five year contract because of the value it brings to our community, yes, did notice value is increasing because DPSEF is growing, as a responsible Board member do need to evaluate and look at it from a holistic point of view. The benefits outweigh any costs and she is totally fine with approving a five year contract. On the last item, we have delegated the management of our District to our General Manager, which is standard operating procedure, if this Board gets into a situation where amendments have to come to them, that is getting way too in the weeds. Trustee Callicrate

said that Board policy dictates that we have some oversight, which may be onerous, and that we have given the District General Manager the authority to enter into contract however at some point it should come back to the Board and it was that way at one point. If that has changed, of which he may be unaware, there is tremendous value to this community, he is very supportive, but it is not unreasonable to have a decision about approval of the term and discuss it openly. There is money that the District does put out in terms of what DPSEF is getting back, it isn't like no money going forward, there is a tremendous value to the community, he knows that the contracts are available online and that having the current contract included as well as the proposed is not too much to ask for as it is just an additional three or four pages and provides all the information to the community in one shot versus going to the web which is a little more cumbersome. Trustee Morris said there is some value of having a redline strikeout, but it is a minor point, thus he feels disconnected from Trustee Callicrate's comments. We have oversight, this is what we are doing and this is exercising that oversight. He doesn't want to be in the weeds because that is why we delegate to that post so he is comfortable. Trustee Callicrate said that this is about the non-profits and that he agrees with his colleagues on that. He is referring to the non-profits as we had a policy to make it public information and that started with different golf tournaments that would come before the Board. We are all in agreement but that there are different ways to do this so let's make a motion without amendments. Trustee Horan said that regarding the points are raised, we have delegated to District General Manager and if exceeds that delegation, Staff has to bring it back. Under 14., the agreement talks about termination and he is happy with the five year term because if it is not working, it can go away. Regarding events under Resolution 1701, we can have that as an agenda item but it is not part of this item. He has reviewed the various information, looked at both sides, he is convinced there is the benefit, and as an absolutely worst case, it is net neutral. Trustee Horan continued that he is prepared to vote for the agreement as written and that he was impressed with the kids that got up and talked which is a testament to how the program is working.

Trustee Morris made a motion to:

1. Approve the agreement between Diamond Peak Ski Education Foundation (DPSEF) and the Incline Village General Improvement District covering the period December 14, 2017 to June 30, 2022.

2. Authorize the District General Manager to execute the agreement upon review by Staff and General Counsel.

Trustee Horan seconded the motion. Chairwoman Wong asked for further comment, receiving none, called the question – the motion was passed unanimously.

Chairwoman Wong called for a break at 7:20 p.m., the Board reconvened at 7:25 p.m.

F.2. Review, discuss, and possibly provide direction on the Utility Rate Study Presentation 2018 (Requesting Staff Member: Director of Public Works Joe Pomroy)

Director of Public Works Joe Pomroy gave the Utility Rate Study presentation which is included in the packet.

Trustee Dent said that the project balance numbers differs from the CAFR. Director of Public Works Pomroy said that the CAFR contains the exact number. Trustee Dent said that the presentation shows \$2.1 million in expenses in 2017/2018 but that the forms filed with the State of Nevada said \$1 million; did we come up with more work or something new. Director of Public Works Pomroy said that the project has an existing fund balance and that there was \$1.1 million for repairs which Staff asked the Board to approve and that the \$1 million was for the pond lining which will be coming out of 2018/2019.

Chairwoman Wong said that she appreciates the presentation as she always learns something new.

Trustee Callicrate said he echoes what Chairwoman Wong said and that he has seen this same presentation and this one was the least painful and most informative. You explained the CIP situation with the Export Pipeline and he is hopeful that the trip to Washington D.C. will garner us some funds and that it will come to pass.

Trustee Horan said he drove by the bike path and would like to know if there is any work going to be done with that project this spring. Director of Public Works Pomroy said we should be complete with our work however Granite will be working on the bike path but not on IVGID facilities.

Trustee Morris said, referencing agenda packet page 62, commends the team and is pleased with the way we are doing this and just to confirm, we are accumulating a couple of million each year. Director of Public Works Pomroy said in the five year window we have an export project that we are accumulating funds for and \$10 million dollars would be added and then projects come out of that. There is \$2.8 million for reserve funds above this and those funds sit in that reserve fund. If we were to spend \$10 million we want to have \$2.8 million in reserves behind that spend. Trustee Morris said so with that accumulation going this is to cover other things than the export project. Director of Public Works Pomroy said that is correct and such things like a natural disaster, etc.

Trustee Dent said, referencing agenda packet page 65, when you take \$12.5 million and subtract out \$1.2 million for the pond liner, subtract \$300,000 for two summer projects and take out the capital carryover and \$3.95 million in expenses you have \$7.251 million which is less than the \$8.305 million that is shown in the project fund balance so can we get the calculations on that and why there is a difference because it could mean we are not raising rates high enough. Director of Public Works Pomroy said that the export project accounting of accumulation and expenditures leave us with the \$8.3 million. Trustee Dent said that \$300,000 was spent for two summer projects, \$235,000 was spent in the Sewer Division in the summer and \$64,000 was spent for water recovery. Director of Public Works Pomroy said those don't show up in the accounting because this accounting is for the export project then we have sewer CIP funds and those were the funds collected this year for those expenses. Trustee Dent said but you end up with \$7.25 million so there is a \$1 million dollar difference on where we will be at. District General Manager Pinkerton drew attention to agenda packet page 68. Trustee Dent said he will send an e-mail to get more clarification.

Trustee Morris made a motion to direct Staff to prepare documents and Ordinance 2 and Ordinance 4 amendments for a one year average 3.0% utility rate increase in accordance with the 2018 Utility Rate Study.

Trustee Horan seconded the motion. Chairwoman Wong asked for further comment, receiving none, called the question – the motion was passed unanimously.

F.3. Review, discuss, and possibly approve a Sole Source Finding and review, discuss, and possibly authorize a Procurement

Contract for a Replacement Articulated Tractor Snowblower and Flail Mower – 2017/2018 Capital Improvement Projects: Fund: Public Works; Division: Shared; Project # 2097HE1731; and Fund: Public Works; Division: Sewer; Project # 2523LE1720; Vendor: ASI Nevada in the amount of \$176,524.78 (Requesting Staff Member Director of Asset Management Brad Johnson)

Director of Asset Management Brad Johnson gave an overview of the submitted materials.

Trustee Horan asked what a flail mower is. Director of Asset Management Johnson said a flail mower uses chains and is a super weed whacker that is used for brush not lawns.

Trustee Morris asked if this was a new and why we are not buying a used piece of equipment. Director of Asset Management Johnson confirmed that we are buying new and stated that it is all about reliability and uptime as this is a critical service piece of equipment and its primary use is water and sewer facilities. If this breaks down, Staff is unable to access our stations, and potentially not respond to an emergency. Staff doesn't pursue used, which is a management philosophy rather we maintain as long as we can doing preventive and proactive repairs. Staff does the analysis to anticipate major repairs and then sells the equipment before they come in so this purchase is related to uptime plus the time to do the repairs. We are doing just in time maintenance and keeping Staff costs down. The possible impacts to community would be similar to what we went through with Washoe County as they have an equivalent piece of equipment which broke down mid-season and the result was that the sidewalks were not plowed and in comparison our sidewalks were cleared. IVGID loaned our equipment to Washoe County to allow them to do the work.

Trustee Callicrate asked if the sole source finding was because of GSA purchasing. Director of Asset Management Johnson said he apologizes as it is not GSA rather it is AGSA, which is similar, and is a large municipal conglomerate that bid on economics of scale. The District gets superior pricing because of the volume beyond on what we bid on our own and no administrative costs. Trustee Callicrate said we seem to do a lot of sole sourcing and work with governmental procurement agencies so on future items like this can we include that the reason is because we use economics of scale and that it is going to save us a headache of putting together the documents as well as save us money. Director of Asset Management

Johnson said it is outsourcing the work to an agency to do the paperwork. Trustee Callicrate commented that there is value in saying that.

Trustee Dent asked if Staff spot checks them. Director of Asset Management Johnson said yes, we do and that Staff compared it to a competitively bid in New York and we got better pricing. Additionally, Staff always spot checks to the list price wherever we can.

Trustee Morris made a motion to:

1. Make the following finding:

IVGID's purchase of a replacement articulated tractor snowblower and flail mower from ASI Nevada is exempt from competitive bidding for the following reasons:

- A. This purchase is for items which may only be contracted from a sole source (NRS 332.115.1.a). ASI Nevada is the exclusive dealer for Multihog equipment for Northern Nevada.
- B. Items, supplies, materials, or equipment that are available pursuant to an agreement with a vendor that has entered into an agreement with the General Services Administration (GSA) or another governmental agency located within or outside the State of Nevada (NRS 332.115.1.m). The pricing received from ASI Nevada is via HGACBuy. HGACBuy is a Houston, Texas based municipal contracting agency that provides nationally leveraged, competitively solicited, and cooperatively shared procurement contracts to its member agencies. All contracts available to participating members of HGACBuy have been awarded by virtue of a public competitive procurement process that is compliant with the requirements of the Nevada Revised Statutes.

Trustee Horan seconded the motion. Chairwoman Wong asked for further comment, receiving none, called the question – the motion was passed unanimously.

Trustee Morris made a motion to:

1. Authorize a procurement contract with ASI Nevada totaling \$176,524.78 for a Multihog MX120 snowblower with flail mower attachments.
2. Authorize Staff to execute all purchase documents based on a review by General Counsel and Staff.

Trustee Horan seconded the motion. Chairwoman Wong asked for further comment, receiving none, called the question – the motion was passed unanimously.

F.4. Review, discuss, and possibly approve a Sole Source Finding and review, discuss, and possibly authorize a Procurement Contract for one TriFlex Mower and one Multi Pro Spray Rig – 2017/2018 Capital Improvement Projects: Fund: Community Service; Division: Golf; Project # 3242LE1730 and 3197LE1722; and Vendor: Turf Star in the amount of \$111,514.66 (Requesting Staff Member Director of Asset Management Brad Johnson)

Director of Asset Management Johnson gave an overview of the submitted materials.

Trustee Dent said regarding new versus used, the District has no policy, this venue doesn't operate year round, the equipment is used six months out of the year thus what are your thoughts on having a policy. Director of Asset Management Johnson said it is about service levels and that this is not the same level of criticality as water/sewer however losing a piece of equipment mid-season would be a concern. At the Championship Golf Course, we have a high level of customer service and the spray rig has a real need. Historically, we buy new because of uptime. He would like to dispel any myth that the moment it gets a scratch, we buy new. The District owns one hundred and seventy seven pieces of equipment between both golf courses and the average age is ten years old. We stretch it out and we buy new because we know what is going on. If we were to buy used, we would have no idea of what you are getting and we would be buying someone else's problem. We stretch it out and maximize that equipment. The other challenge is availability. Staff does check the used equipment market, talk to representatives, search the web, etc. We do not have the staffing to spend the time to look at used gear. New strong focus on maximizing equipment but we are not opposed to pursuing used equipment as we do it via vendor representatives and chase it but it is difficult to implement and follow through. Trustee Dent said that this is the third budget and five year CIP and that the District has been purchasing quite a bit over the past

three years – is he reading this correctly. Director of Asset Management Johnson said that equipment life ebbs and flows and that this question comes up every year. That is the golf industry and he is amazed by the amount of gear but that is the golf industry. It has specialized equipment and lots of it. There is lots of little gear with very tight tolerances; it is the industry. Can the District do more with less, that question is for golf course superintendent and Director of Golf. To him, we are replacing this equipment at the right time and conforming with all requirements and our Grounds Superintendent does a good job and the members say that.

Trustee Callicrate made a motion to make the following finding:

IVGID's purchase of golf course maintenance equipment from Turf Star is exempt from competitive bidding for the following reasons:

- A. This purchase is for items which may only be contracted from a sole source (NRS 332.115.1.a). Turf Star is the exclusive dealer for Toro equipment for Northern Nevada.
- B. This purchase is for additions to and repairs and maintenance of equipment which may be more effectively added to, repaired, or maintained by a certain person (NRS 332.115.1.c). The District's golf course equipment fleet is comprised extensively of Toro equipment and Turf Star is the exclusive dealer for Toro equipment for Northern Nevada.
- C. The equipment proposed for purchase, by virtue of the training of the personnel or of any inventory of replacement parts maintained by the local government is compatible with existing equipment (NRS 332.115.1.d). The District's golf course equipment fleet is comprised extensively of Toro equipment and the District employs mechanics trained for Toro equipment and maintains an inventory of replacement Toro parts.
- D. Items, supplies, materials, or equipment that are available pursuant to an agreement with a vendor that has entered into an agreement with the General Services Administration (GSA) or another governmental agency located within or outside the State of Nevada (NRS 332.115.1.m). The pricing received from Turf Star is via GSA.

Trustee Horan seconded the motion. Chairwoman Wong asked for further comment, receiving none, called the question – the motion was passed unanimously.

Trustee Callicrate made a motion to:

1. Authorize a procurement contract with Turf Star for a total of \$111,514.66 for the purchase of one Toro Greenmaster 3400 TriFlex mower and one Toro Multi Pro 5800G spray rig.
2. Authorize Staff to execute all purchase documents based on a review by General Counsel and Staff.

Trustee Horan seconded the motion. Chairwoman Wong asked for further comment, receiving none, called the question – the motion was passed unanimously.

G. DISTRICT STAFF UPDATE

G.1. General Manager Steve Pinkerton

District General Manager Pinkerton said he would be happy to answer any questions about the submitted report that is in the packet. Trustee Callicrate thanked him for the written update.

Chairwoman Wong called for a break at 8:40 p.m. and the Board reconvened at 8:45 p.m.

H. APPROVAL OF MINUTES (for possible action)

H.1. Regular Meeting of October 25, 2017

Chairwoman Wong asked for any changes, hearing none, she deemed the minutes approved as submitted.

H.2. Regular Meeting of November 15, 2017

Chairwoman Wong asked for any changes, hearing none, she deemed the minutes approved as submitted.

H.3. Regular Meeting of December 13, 2017

Chairwoman Wong asked for any changes, hearing none, she deemed the minutes approved as submitted.

H.4. Regular Meeting of January 10, 2018

Chairwoman Wong asked for any changes, hearing none, she deemed the minutes approved as submitted.

I. REPORTS TO THE IVGID BOARD OF TRUSTEES*

I.1. District General Counsel Jason Guinasso

I.1.A. Update on Acquisition and Sale of Unbuildable Tax Delinquent Properties

District General Counsel Guinasso said that the District prepared a public statement and that Staff met with the Washoe County District Attorney and had a good meeting. Outstanding issue is the outstanding taxes, discussions will continue, and Staff will be bringing back something to the Board. There has been a moratorium in place for three years and that will remain until a policy is adopted by the Board. The policy will be incorporated into the IVGID code as we work through it.

Trustee Morris said he is pleased to hear this confirmation and that no laws were broken and that nothing was done wrong. There will be a small number of people who will hue and cry so is there an opportunity to get anything formal from Washoe County to confirm we are in good standing. District General Counsel Guinasso said that the District Attorney will write a letter that will memorialize an agreement however there is some remaining homework to be done and that both parties are in process of doing that homework.

I.1.B. Litigation Update:

- ❖ IVGID v. GSGI under Case No. CV17-00922 - Order Granting IVGID's Motion for Preliminary Injunctive Relief

District General Counsel Guinasso gave an overview of the court case and noted that the District received an order granting preliminary injunction and that the summary by the court is included in the documents in the packet.

Trustee Morris asked if we would expect to hear any further activities from GSGI with regard to this paperwork. District General Counsel Guinasso said that GSGI could file a notice to appeal as they have thirty days to do so. Counterclaims were filed but we have moved to have them dismissed and that is before the District court awaiting this decision. Further, on a motion for summary judgment, our response is due in a couple of days and we will counter with our own request for our own summary judgment and he will let the Board know how that goes. Trustee Dent asked how much has been spent. District General Counsel Guinasso said he doesn't have the precise number but it is about \$30,000.

- ❖ Katz v. IVGID under Appeal No. 70440 - Order Submitting For Decision Without Oral Argument

District General Counsel Guinasso said that oral arguments will not be done and that the case will be decided on the submitted briefs and he expects a decision in the coming months and no later than this summer. When we get the order, we will let you know how we proceed from there.

I.1.C. Update on the Attorney General's Decision Finding No Open Meeting Law Violation in response to OML Complaints of Frank Wright under File Nos. 13897-242; 13897-244; 13897-245.

District General Counsel Guinasso gave an overview and noted that the Attorney General determined they didn't need a response from the public body. Just because someone files a complaint doesn't mean there is a violation, may be some confusion between complaint and violation, can file as many complaints as one wants to but that doesn't mean there has been any wrongdoing. There have been more open meeting law complaints during his tenure than any other time and regarding the statement that has been made repeatedly that this is financially benefitting him, those statements are false and misleading. He was retained 2015 and there have been seventeen Open Meeting Law complaints filed with eleven being filed by Mr. Wright, five filed by Mr. Katz or his wife, Ms. Miller, and one item that was cured. Prior to that retention, during the tenure of his predecessor, twelve were filed, and in response to them there were three where corrective action was taken and one other complaint where guidance was offered. Twenty

nine Open Meeting Law complaints were filed against IVGID during that time and all but two were filed by Mr. Wright, Mr. Katz, or his wife, Ms. Judith Miller. His predecessor charged an hourly fee, he doesn't and this work is covered by the monthly retainer so there is absolutely no financial benefit to him and this work is encompassed within the retainer agreement and this was an essential element of the contract with his firm.

Chairwoman Wong thanked District General Counsel Guinasso for the scoreboard as she was going to ask about it so that information is appreciated.

J. BOARD OF TRUSTEES UPDATE (NO DISCUSSION OR ACTION) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*

J.1. Receive the Annual Report from the Audit Committee (reference Policy 15.1.0, Paragraph 2.0, 6.)

Trustee Horan said there was an Audit Committee meeting held earlier today and that the purpose of the meeting was to accept a report to IVGID that we agreed to do and that it was discussed at several meetings. The report was drafted based on feedback of the committee or anyone else. The Audit Committee adopted it and it will be posted on the website as a part of this agenda packet.

K. CORRESPONDENCE RECEIVED BY THE DISTRICT*

District Clerk Susan Herron stated that correspondence had been received, distributed and will be included, in hard copy form, in the next Board packet from Andy Wolf, Tim Delaney, Clifford Dobler, and David Tait.

L. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

There were no members of the public present so none was received.

M. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action)

The Board agreed to:

- Hold a Face-to-Face with Your Trustees on Wednesday, February 28, 2018 from 6 p.m. to 7:30 p.m. at the Chateau.
- Reschedule their meeting of March 7, 2018 to March 13, 2018 start at 12 noon.
- CIP Tour was scheduled for Monday, March 26, 2018 at 9 a.m.

District General Manager Pinkerton offered to provide more materials on the Board Work Plan and the District's Strategic Plan and then have a discussion by the Board. Trustee Horan agreed that this was a great idea as the Board has already given input and every Trustee has the opportunity to talk with the General Manager so this should give us a jump start. Trustee Callicrate said on February 7 we are doing to discuss what we want to do; District General Manager Pinkerton said that Staff is going to provide materials and then the Board will discuss them. Chairwoman Wong asked that this item be the last agenda item. Trustee Dent asked if we could postpone it or start it earlier. District General Manager Pinkerton said we could put it on as the first agenda item.

N. ADJOURNMENT (for possible action)

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

**In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.*

Submitted by Margaret Martini (1 page): Please add to the minutes of the 1-24-2018 Board meeting

Submitted by Aaron Katz (13 pages): Written statement to be attached to and made a part of the written minutes of the IVGID Board's regular January 24, 2018 meeting – Agenda Item F(1) – Approval of proposed agreement with the Diamond Peak Ski Education Foundation (“DPSEF”)

Minutes
Meeting of January 24, 2018
Page 20

Submitted by Linda Newman (2 pages): IVGID 1-24-18 Board of Trustees Meeting
Public Comment, By: Linda Newman – to be included with the Minutes of the
Meeting

Submitted by Steve Dolan (1 page): Incline Village General Improvement District,
January 24, 2018, Re: January 10th Meeting

Please add to the minutes of the 1-14-2018 Board meeting

It seems as if the face of our community is changing. There is something wrong when it has become apparent that 3 or 4 individual employees and one board member (accompanied by two other puppet board members) has taken control of every aspect of what goes on in Incline Village and are insistent upon foisting their wants and ideas upon the entire population of our town by completely ignoring residents concerns and ideas.

Millions of dollars are wasted from unnecessary lawsuits to obtain public records which are obviously being hidden from the public. There are endless utility rate increases. It seems like every time you blink there is a utility increase while endless spending on worthless ideas, hiring expensive and mindless consultants and legal file churning occurs.

The legal bills generated from Mr. Guinasso , hundreds of thousands of our tax dollars for creating and supporting the creation of a community in total fiscal and ethical descent.

The mindless legal assault eating into our tax dollars is akin to extracting a kings ransom in illicit fees for mindless litigation against our citizens and local business owners.

Whenever a citizen complains, asks questions or is concerned about an issue they are personally attacked, viscously labeled and discounted as being a vocal minority initiated by IVGID staff and IVGID legal representative, None of the concerns by citizens are addressed and the issues are diverted in a personal attack methodology.

It would be a completely different dynamic of governance if Ms. Wong, Mr. Pinkerton, Morris, Horan and Eick were replaced with strong fiscal thinking citizens who actually will look at issues, finances, methodology, and true concern for a limited and effective government. Then we truly would have a spectacular and cohesive community. That would eliminate the need for lawsuits and irresponsible spending. The funds would then be available for community infrastructure and necessary items.

We need to change the face of our current community. The problem is not our concerned citizens. The above-mentioned personnel and board members need to go. They are obstructionists to a peaceful, well run, fiscally responsible community.

*Margaret Martini
Incline Village Resident*

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S REGULAR JANUARY 24, 2018 MEETING –
AGENDA ITEM F(1) – APPROVAL OF PROPOSED AGREEMENT WITH THE
DIAMOND PEAK SKI EDUCATION FOUNDATION ("DPSEF")**

Prologue: Here IVGID staff seek approval to enter into a five (5) year contract with the DPSEF which gives away nearly \$1M or more of public assets/lost revenues for the benefit of a private third party (the DPSEF). Let me start out by saying I have few issues with the DPSEF other than their principals' request for greater and greater public philanthropy. From all accounts their programs fill a void in our community, and appear to be well run.

However with this said, the subject giveaway subsidizes this third party's operational costs even though the overwhelming majority of us are not DPSEF members. Moreover, this giveaway allows the DPSEF to use public assets to generate sales as well as additional revenue which benefits its staff and approximately two hundred (200) of Diamond Peak Ski Team participants notwithstanding a very large number (admittedly 35% or more¹) who do not even live in our community, as well as their parents/relatives as well as friends. In other words, another example of the takers in our community requiring the owners of 8,000+ local parcel/residential dwelling unit owners to involuntarily subsidize the costs a very, very few in our community would otherwise have to pay for enrollment in a non-governmental program.

Staff try to make the Board and the public think the cost to the public is only \$16,448². But as you will see, it is many, many hundreds of thousands of dollars more. *And for what?* It's time for you, the IVGID Board, to put your collective feet down and tell the takers in our community, once and for all, a resounding NO! And that's the purpose of this written statement.

Introduction: Although IVGID staff want you to believe they're making millions of dollars annually at Diamond Peak and the public's other Incline Village recreational venues IVGID owns/operates, the truth of the matter is that each year IVGID staff spend close to \$7M *more* than the revenues they generate operating those venues, including Diamond Peak. And whenever one over spends to this extent, it means that *every* expenditure (such as debt service or capital) which contributes to that over spending, represents over spending. And whenever one gives away a public asset for which fees are normally charged to the public, the loss of revenue is every bit the same as making a cash contribution to the beneficiary. In other words, it is disingenuous for the IVGID Board and/or its staff to assert over spending is limited to any one "cherry picked" expenditure. And that's

¹ DPSEF as well as IVGID staff publicly represent that at least 70 of the approximate 200 participants in this program are *not* residents of Incline Village/Crystal Bay.

² See the bottom of page 8 of the packet of materials prepared in anticipation of this January 24, 2018 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_1-24-18.pdf ("the 1/24/2018 Board packet")].

the case here! In order to "cover" this over spending, IVGID has invented the Recreation ("RFF") and Beach ("BFF") Facility Fees most parcels/residential dwelling units in town are involuntarily assessed. And it is the RFF which subsidizes the subject philanthropy known as DPSEF.

To hide this massive philanthropy which benefits so very, very few in our community, IVGID staff have misrepresented the facts upon which this agenda item is founded. And now members of the community who know the truth are forced to come forward to show the truth, and our staff for what they really are; proponents of the "culture" known as IVGID³.

Consider the following:

Deceitful Fact #1: "The DPSEF maintains its own facility."⁴

The Truth: This "facility" (aka "the race department headquarters building") is really *IVGID's*! Although formerly occupied by ski patrol, this facility (which is located at the northern portion of Diamond Peak's upper parking lot) represents another non-disclosed giveaway at local property/residential dwelling unit owners' expense.

Moreover, In the last several years this building has been re-sided, re-roofed, and a custom galvanized steel stairway has been fabricated and installed, all as maintenance/capital improvement items, and *all at local property/dwelling unit owners' expense!* The *only* cost the DPSEF incurs with respect to this building, is the arguable reimbursement of utility charges⁵.

Deceitful Fact #2: DPSEF principals represent it "provides community youth and families the opportunity to engage in...skiing development programs."

The Truth: Although in a vacuum this is a noble endeavor, DPSEF's programs and services are offered to far more than simply our community. Staff admits that the program has grown to over 200 participants, with a large number of participants being those who do *not* reside in Incline Village/Crystal Bay⁶.

³ A culture where public employees care more about themselves, their fellow public employee colleagues, and "favored collaborators," than the public they were purportedly hired to serve.

⁴ See page 5 of the 1/24/2018 Board packet.

⁵ ¶1(I) of the proposed agreement (see page 11 of the 1/24/2018 Board packet).

⁶ Although staff represent at page 5 of the 1/24/2018 Board packet that a majority of participants are residents of Incline Village/Crystal Bay, they conveniently fail to disclose that *a very, very large minority* (35% or more) *reside elsewhere*. Translation: like essentially all of IVGID's other recreational endeavors, they are *not* restricted to local property owners who are the ones financially subsidizing third party "favored collaborators" like the DPSEF. Thus to represent that the DPSEF "benefits community youths and families" is deceitful at best, and an outright misrepresentation at worst.

Deceitful Fact #3: "The (proposed) agreement...provides...value to our local ski racing community (to participate in *third party*)...programs at Diamond Peak, whereas otherwise, they would likely participate in...programs offered at other ski resorts within the area."⁴

The Truth: Putting aside the fact whatever "value" the DPSEF points to extends equally to non-residents as residents, the simple fact of the matter is that here local property owners are financially providing "value" to roughly a handful (200 during the 2016/17 season") of DPSEF participants. If they participated in similar programs at other ski resorts within the area, although possibly inconvenienced, they *would not be deprived*. And as a consequence, there would no longer be the need for local property/residential dwelling unit owners' to provide the involuntary financial support DPSEF requires. Given the foregoing, this agreement really represents just another giveaway of public assets, for the benefit of outsiders, which is involuntarily subsidized by local property/residential dwelling unit owners. In other words, the "value" is to the DPSEF (a third party), and the detriment is forced philanthropy by local property owners.

Deceitful Fact #4: The estimated cost to the public because of entering into the proffered agreement⁷ is only \$16,448¹.

The Truth: *The real cost is many hundreds of thousands if not \$1M or more dollars!* Before I break down the proposed agreement's terms so you can learn the truth, let's set the ground rules for:

What Represents a "Cost" to the Public? Obviously, direct payments of money from IVGID to DPSEF (such as a retention of a portion of revenue realized from DPSEF's sale of daily lift tickets to visiting ski team members/their parents/guardians/friends) represents a "cost" the public incurs. However, there are other types of transactions which represent the equivalent of this "cost." For instance, when IVGID:

1. Donates things to DPSEF other than "money" (such as free Diamond Peak season passes), which have a value the equivalent of money; or,
2. Donates the use of things to DPSEF other than "money" (such as free use of the Diamond Peak base lodge or the DPSEF headquarters building), which have a rental value the equivalent of money; or,
3. Donates the use of things to DPSEF other than "money" (such as preferred Diamond Peak parking places and the backs of Crystal quad chair lifts), which are capable of generating revenue, where DPSEF can sell those things to the public and retain the proceeds for itself; or,
4. Sells things to DPSEF (such as food and beverage passes) at a discount (compared to the

⁷ See pages 10-26 of the 1/24/2018 Board packet.

retail prices those things are sold to the public), where the discount is the equivalent of money; or,

The losses of revenue *all* represent "costs" the public incurs, to which I speak, such as:

\$95,800 Worth of Free Diamond Peak Season Passes: "The proposed agreement includes...up to forty [40 (free)] non-transferable season passes (allegedly) to DPSEF('s) coaching staff,"⁸ *the overwhelming majority are not residents of our community*⁹. Given the retail value of each pass is \$479¹⁰, the cost of this giveaway becomes a whopping \$19,160 per year¹¹! Given IVGID staff are proposing a term of five (5) years, and unreasonably assuming that the price of season passes do not increase, I calculate the total value of this giveaway at really \$95,800!

\$22,500 Worth of Discounted Diamond Peak Season Passes to Non-Resident Ski Team Participants: Staff doesn't share with the Board and the public that non-resident ski team participants are allowed, under the proposed agreement, to purchase Diamond Peak season passes at the preferred resident rate *plus an insulting to local property owners surcharge of only \$10*¹²! Given the difference in pricing between resident¹³ (\$149) and non-resident¹⁰ (\$189) Diamond Peak season passes for children is \$40, for resident¹³ (\$189) and non-resident¹⁰ (\$259) youth is \$70, and because staff doesn't break down the number of discounted non-resident child and youth season pass sales to DPSEF participants, the public is forced to speculate as to the discounted cost per ski pass local property owners are subsidizing above/beyond \$10. Because it is staff's obligation to share all material facts pertaining to this and other public issues with the Board and the public, and *not my obligation*, and here they haven't, I presume that roughly half of the approximate 200 season passes sold to DPSEF participants are sold to non-resident children and youths. Applying a blended discount of \$45/non-resident child/

⁸ DPSEF represents it has fifteen (15) coaches (count them for yourself); Konrad Rickenbach, Canaan Pollack, Mark Norton, Raquel Norton-Lead, Edward Schelert, Tamara McKinney, Johnny Albrecht, Troy Cohee, Pete Lewis, Josee Lacasse, Jenn Luchetti, Kayla Wieczorek, Deedee Driller, Mark Bernstein and Rad Birmingham (see <http://www.dpsef.org/page/show/729118-ski-team-coaches>). *Why then the need for forty (40) free season passes?* Given these passes are non-transferable, for whom are these additional passes and for what purposes?

⁹ I don't know these coaches personally, but from the list, I know at least half do not reside in our community! I wouldn't be surprised if *none* do.

¹⁰ See <https://www.diamondpeak.com/tickets-specials/season-passes-pass-perks>.

¹¹ See page 7 of the 1/24/2018 Board packet.

¹² ¶III(F) of the proposed agreement (see page 13 of the 1/24/2018 Board packet). DPSEF has created a form which evidences these discounts and their availability to DPSEF participants and their parents, a copy of which is attached as Exhibit "A" to this written statement.

¹³ Go to

<https://shopdp.yourtahoeplace.com/eStore/Content/Commerce/Products/DisplayProducts.aspx?ProductGroupCode=1100&ProductCategoryCode=1100>.

youth season pass participant, I calculate \$4,500 in lost revenue *just for this season*. And given IVGID staff are proposing the agreement's term be five (5) years, and unreasonably assuming that the price differential between residents and non-residents season passes do not increase in the future, I calculate the total value of this giveaway at a conservative \$22,500!

\$30,000 Worth of Discounted Diamond Peak Season Passes to the Non-Resident Parents and Legal Guardians of Non-Resident Ski Team Members: Staff doesn't share with the Board and the public that non-resident parents and legal guardians of ski team participants can purchase Diamond Peak season passes at the resident preferred rate *plus the same insulting to local property owners surcharge of \$10*¹²! Given the difference in price between resident¹³ (\$349) and non-resident¹⁰ (\$479) Diamond Peak season passes for adults is \$130, and because staff doesn't break down the number of discounted non-resident adult season pass sales to the parents and legal guardians of DPSEF participants, the public is forced to speculate as to the discounted cost per ski pass local property owners are subsidizing above/beyond \$10. Because it is staff's obligation to share all material facts pertaining to this and other public issues with the Board and the public, *and not my obligation*, I presume that roughly half of the approximate 100 season passes sold to non-resident DPSEF participants are sold to their parents and legal guardians. Applying a discount of \$120/non-resident adult season pass participant, I calculate \$6,000 in lost revenue *just for this season*. And given IVGID staff are proposing that the agreement's term be five (5) years, unreasonably assuming that the price differential between residents and non-residents for season passes do not increase in the future, I calculate the total value of this giveaway at a conservative \$30,000!

\$106,800 Worth of Free Daily Lift Tickets to Race Day Volunteers: "The proposed agreement indicates Diamond Peak will provide up to thirty (30)...complimentary...race day volunteer...tickets."¹⁴ Given the retail value of each lift ticket (for the 2017/18 season) is \$79¹⁵, and assuming eight (8) race days per season¹⁸, the cost of this giveaway is \$18,960 just for this year! Given IVGID staff are proposing that the agreement's term be five (5) years, and assuming a very, very modest annual increase in the retail price of a Diamond Peak daily lift ticket of \$5/season¹⁶, I calculate the total value of this giveaway at \$106,800!

\$71,200 Worth of Free Race Day Lift Tickets to Visiting Coaching Staff: The proposed agreement indicates Diamond Peak will "provide an estimated twenty (20) complimentary (race day) tickets to visiting coaching staff."¹⁷ Given the retail value of each lift ticket (for the 2017/18 season) is

¹⁴ See page 6 of the 1/24/2018 Board packet.

¹⁵ See <https://www.diamondpeak.com/tickets-specials/lift-tickets>.

¹⁶ The difference between the cost of last season's (\$74) and this season's (\$79) daily lift ticket is \$5.

¹⁷ See page 6 of the 1/24/2018 Board packet.

\$79¹⁵, and assuming eight (8) race days per season¹⁸, the cost of this giveaway is \$12,640 just for this year! Given IVGID staff are proposing that the agreement's term be five (5) years, and assuming a very, very modest annual increase in the retail price of a Diamond Peak daily lift ticket of \$5/season¹⁶, I calculate the total value of this giveaway at \$71,200!

\$69,865 Worth of Free Daily Lift Tickets to Visiting Teams' Athletes/Family Members/Guests: "The proposed agreement indicates Diamond Peak will provide...one (1)...complimentary... race day...ticket (for every)...eight (8) athletes registered to...visiting team(s)...on race day events."¹⁴ Given the retail value of each lift ticket (for the 2017/18 season) is \$79¹⁵, assuming eight (8) race days per season¹⁸, and assuming last season's one hundred and fifty-seven (157) complimentary race day tickets for visiting team athletes, family members and guests¹¹ (19.625 tickets per race day), and the cost of this giveaway is \$12,403 just for this year¹⁹! Given IVGID staff are proposing that the agreement's term be five (5) years, and assuming a very, very modest annual increase in the retail price of a Diamond Peak daily lift ticket of \$5/season¹⁶, I calculate the total value of this giveaway at \$69,865!

\$83,882.50 Worth of Discounted Daily Lift Tickets Sold to Visiting Team Athletes/Family Members/Guests: Staff doesn't share with the Board and the public that the daily lift tickets Diamond Peak plans on selling to visiting race day participants will be discounted from the retail price²⁰ of \$34/child, \$59/youth and \$79/adult¹⁵. At page 8 of the 1/24/2018 Board packet it reveals that the blended discounted cost/lift ticket, before revenue sharing (see discussion below), will be \$32. Because staff doesn't break down the 1,157 number into child, youth and adult lift ticket sales, the public is forced to speculate as to the discounted pricing offered to each age group. Given the discount insofar as child lift ticket sales are concerned is \$14/lift ticket (the difference between \$34 and \$20), and the discount insofar as youth lift ticket sales are concerned is \$15/lift ticket (the difference between \$59 and \$44), let's conservatively apply a blended discount of \$14.50/ticket on the projected 1,157 lift tickets to be sold²¹. This gives us a loss of revenue, *just for this season*, of at least \$16,776.50. Given IVGID staff are proposing that the agreement's term be five (5) years, and assuming

¹⁸ ¶III(A) of the proposed agreement (see page 12 of the 1/24/2018 Board packet) states that the "District...will make available portions of the mountain for...approximately four (4) Far West race events and approximately four (4) non-U.S.S.A. race events" *for a total of eight (8) races*.

¹⁹ Although staff represents at page 7 of the 1/24/2018 Board packet that the value of 157 race day tickets "comped" last season was \$11,618, please remember that lift ticket prices for this season have increased \$5.

²⁰ ¶III(G) of the proposed agreement (see page 13 of the 1/24/2018 Board packet) states that "Diamond Peak Ski Resort will provide...*Discounted* Daily Lift Tickets to participants in DPSEF racing events and...race participants' parents."

²¹ Remember that although some of these lift ticket sales are to "adult" family members/guests, meaning the discount exceeds \$14.50/lift ticket, I make no calculation for these adult lift ticket sales.

the amount of discount does not increase in future years, I calculate the total value of this giveaway at a conservative \$83,882.50!

\$150,440 Worth of Already Discounted Daily Lift Tickets Based Upon 50% Revenue

Sharing: The proposed agreement states that Diamond Peak will share with the DPSEF "half of the revenue (realized from *already discounted* visiting)...race day...participants."²⁰ Based upon staff's "estimated sale of 1,157...tickets at \$20 child and \$44 youth/adult,"²² it estimates that the cost of this giveaway, just for this season, at \$18,512. Given IVGID staff are proposing that the agreement's term be five (5) years, and assuming a very, very modest annual increase in the discounted price of a Diamond Peak youth/adult daily lift ticket of \$5/season²³, I calculate the total value of this giveaway at \$150,440!

\$30,000 or More of Discounted 50% Off Food Passes For DPSEF Coaches:

Staff doesn't share with the Board and the public that the forty (40) ski team coaches can purchase food and non-alcoholic beverages at a 50% discount off the retail rate²⁴. Because it is staff's obligation to share all material facts pertaining to this and other public issues with the Board and the public, and *not my obligation*, I presume that a modest twenty (20) meals for forty (40) coaches at Diamond Peak's premium retail pricing/meal (\$14) generates \$5,600 in food discounts. Therefore I calculate the total value of this giveaway at a conservative \$5,600! And given IVGID staff are proposing that the agreement's term be five (5) years, and unreasonably assuming that the prices for Diamond Peak food and beverages season do not increase in the future, I calculate the total value of this giveaway at a conservative \$30,000!

\$200,000 Worth of Preferred Reserved Parking at Diamond Peak:

"The proposed agreement (states that the District will)...provid(e) two (2) designated parking spaces...in close proximity to the...base lodge for use by DPSEF at (its) sole discretion."²⁵ These parking spots need not be used by the DPSEF! Rather, their exclusive use can be assigned "to anyone determined by DPSEF." Therefore each year the DPSEF auctions off these parking spots, typically for \$20,000/each! The proceeds are retained by the DPSEF *to fund its other endeavors*. And given IVGID staff are proposing that the agreement's term be five (5) years, I calculate the total value of this giveaway at \$200,000!

²² See page 8 of the 1/24/2018 Board packet.

²³ Although the discounted sales price of \$20 per child did not change between last season and this season, according to page 8 of the 1/24/2017 Board packet the discounted sales price of youth/adult tickets increased \$9 from \$35 to \$44. Accordingly a projected increase of \$5/daily youth/adult lift tickets seems reasonable.

²⁴ ¶III(I) of the proposed agreement (see page 14 of the 1/24/2018 Board packet).

²⁵ ¶III(J)(i) of the proposed agreement (see page 14 of the 1/24/2018 Board packet).

Thousands of Dollars Worth of Additional Off-Site "On Season" Parking For DPSEF's Team Transport Vehicles and Equipment Trailers: "The proposed agreement (provides that)...the District may provide up to six [6 (additional)] parking spaces on District Property, off-site from Diamond Peak...for DPSEF's parking of its team transport vehicles and equipment trailers."²⁶ *What is fair market rent for dedicated use of the public's parking facilities during Diamond Peak's operational months* (shouldn't it be something)? You come up with a number.

Thousands of Dollars Worth of Additional Off-Site "Off Season" Parking For DPSEF's Team Transport Vehicles and Equipment Trailers: "The proposed agreement (provides that)...DPSEF may keep its team transport vehicles and equipment trailers on Diamond Peak grounds during the off-season."²⁶ *What is fair market rent for dedicated use of the public's parking facilities during Diamond Peak's "Off Season"* (shouldn't it be something)? You come up with a number.

Tens of Thousands of Dollars Worth of Free Rent For DPSEF's Dedicated Race Department Headquarters Building: As noted above, Staff doesn't share with the Board and the public that IVGID makes exclusive use of this building available to the DPSEF for no cost other than reimbursement of utility charges⁵. *What is fair market rent for such a structure* (it shouldn't it be something)? You come up with a number.

Tens of Thousands of Dollars Worth of Office Space and a Locker Room for the DPSEF Race Staff: Staff doesn't share with the Board and the public that IVGID is responsible for "supply(ing) office space and a locker room for the DPSEF race staff on the grounds of" Diamond Peak²⁷. *What is fair market rent for such office space and lockers* (shouldn't it be something)? You come up with a number.

Hundreds of Dollars Worth of Diamond Peak Office Equipment/Supplies: Staff doesn't share with the Board and the public that "the proposed agreement (provides that)...DPSEF (may) use Diamond Peak (office) equipment including, but not limited to copy machine(s), typewriters, paper goods...FAX machine(s)...etc."²⁸ Although DPSEF is supposed to be billed \$0.05/copy plus the cost of telephone calls, if any, since these costs are minimal compared to the capital costs IVGID incurs for such office equipment, shouldn't DPSEF be paying something more for access to this equipment? Or shouldn't DPSEF be supplying its own telephones, FAX machines, copy machines and other office equipment? You come up with a number.

Thousands of Dollars Worth of Free Rent For Exclusive Use of the "Fireplace Room" in the Diamond Peak Base Lodge: Staff doesn't share with the Board and the public that IVGID makes exclusive use of the "Fireplace Room" adjacent to the bar in the base lodge available to the DPSEF for

²⁶ ¶II(J)(ii) of the proposed agreement (see page 14 of the 1/24/2018 Board packet).

²⁷ ¶II(E) of the proposed agreement (see page 12 of the 1/24/2018 Board packet).

²⁸ ¶III(H) of the proposed agreement (see page 15 of the 1/24/2018 Board packet).

no cost "for lunches, training breaks, meetings, athlete video analysis, etc., when not in use by the... Sierra Scouts lunch program or other...scheduled...events/programs."²⁹ *What is fair market rent for such exclusive use of such facilities (shouldn't it be something)? You come up with a number.*

Tens of Thousands of Dollars Worth of Free Rent For Exclusive Use of the Diamond Peak Base Lodge: Staff doesn't share with the Board and the public that IVGID makes exclusive use of the Diamond Peak base lodge available to the DPSEF for no cost "for DPSEF team functions."²⁹ What functions? How about DPSEF's Ullr Fest which takes over Diamond Peak for a weekend in February of each year (this year February 2-3, 2018³⁰)? Moreover, DPSEF takes over the Chateau, *for free*, for a sit down dinner/silent auction. *What is fair market rent for such exclusive use of both facilities (after all, rent just for the Chateau on Saturdays is \$4,660³¹)? You come up with a number.*

Thousands of Dollars Worth of Race Fees: Staff doesn't share with the Board and the public that just like Crystal chair lift advertising (see discussion below), the proposed agreement allows DPSEF to charge race and other fees every time it puts on a ski race on public property, and to retain those fees *for itself*³². How much fee revenue? Or more importantly, *how much fee revenue could Diamond Peak generate for itself if its staff were charging these fees? You come up with a number.*

Thousands of Dollars Worth of Advertising Revenue on the Back of Crystal Chair Lift Chairs: Have you ever ridden on the Crystal quad chairlift at Diamond Peak? If you have, you will see advertising and other messages on the chair backs of the chairs in front of you. Staff doesn't share with the Board and the public that IVGID allows DPSEF to sell advertising for placement on the back of these chairs, and to keep 100% of the revenue generated. How much revenue? Or more importantly, *how much revenue could Diamond Peak generate for itself if its staff were selling advertising? You come up with a number.*

Thousands of Dollars Worth of Advertising Revenue on Diamond Peak Itself: Staff doesn't share with the Board and the public that just like Crystal chair lift advertising (see discussion above), the proposed agreement allows DPSEF to place advertising/sponsorship materials it has sold throughout Diamond Peak³³. How much in sales? Or more importantly, *how much revenue could Diamond Peak generate for itself if its staff were selling advertising? You come up with a number.*

²⁹ ¶II(H) of the proposed agreement (see page 14 of the 1/24/2018 Board packet).

³⁰ Go to <https://www.diamondpeak.com/events/details/ullr-fest>.

³¹ See page 74 of the packet of materials prepared in anticipation of the IVGID Board's regular meeting of December 13, 2017 meeting ["the 12/13/2017 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_12-13-17.pdf)].

³² ¶VII(C) and (E) of the proposed agreement (see page 17 of the 1/24/2018 Board packet).

³³ ¶6 of Exhibit "A" to the proposed agreement (see page 22 of the 1/24/2018 Board packet).

Thousands of Dollars Worth of Race Course Slope Grooming For All DPSEF Sponsored Races: Staff doesn't share with the Board and the public that Diamond Peak is responsible for initial slope grooming insofar as each of the DPSEF's eight¹⁸ sponsored races are concerned³⁴. And although DPSEF may be setting the courses, all of the course equipment belongs to Diamond Peak. What is the cost Diamond Peak charges when it provides slope grooming and race course equipment for ski racing events (shouldn't it be something)? You come up with a number.

Tens of Thousands of Dollars Worth of Worth of Race Course Slope Grooming For Daily DPSEF Ski Race Training: Similarly, staff doesn't share with the Board and the public that Diamond Peak is responsible for daily "routine slope grooming" for DPSEF ski race training³⁵. This isn't normal slope grooming for all of Diamond Peak. Rather, it is specialized grooming just for DPSEF ski race training. What is the cost Diamond Peak charges when it provides slope grooming for ski racing events (shouldn't it be something)? You come up with a number.

Exclusive Use of Portions of Diamond Peak For Ski Race Training and Races: Staff doesn't share with the Board and the public that Diamond Peak gives DPSEF *exclusive* use of portions of the mounting for daily ski race training and race events. This means that when both the public and DPSEF are on the mountain, the terrain available to the public is compromised. And when there is a lack of snow, which is currently the case, taking away this much terrain for the public is terribly unfair. Shouldn't DPSEF be required to make up for this unfairness and the less than comfortable experience the public realizes when sharing the mountain with DPSEF? You come up with a number.

But there's something far more egregious when it comes to giving DPSEF exclusive use of portions of Diamond Peak. And that's the RFF local parcel/dwelling unit owners are involuntarily assessed. And here's why. According to IVGID the RFF is a standby service charge that pays for the mere *availability to use* IVGID's recreational facilities³⁶, expressly *including* Diamond Peak ("the Board specifically finds that the availability of the use of...Diamond Peak Ski Resort...are all benefits which inure to the owners of properties assessed hereunder"). If you're a parcel owner who pays the RFF and all of Diamond Peak isn't available for you to use when you choose to use it, what does that say about the RFF's validity? It is for this reason that I and others I know say to IVGID either give away the store to DPSEF and your other favorite collaborators and not assess the RFF, or assess the RFF and keep our recreational facilities available for our use when we choose to use them. *But not both!*

³⁴ ¶II(A) of the proposed agreement (see page 12 of the 1/24/2018 Board packet).

³⁵ ¶II(B) of the proposed agreement (see page 12 of the 1/24/2018 Board packet).

³⁶ See pages 97-106 of the packet of materials prepared prepared in anticipation of the IVGID Board's regular meeting of May 24, 2017 meeting ["the 5/24/2017 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-24-17.pdf)].

Lift Line Cutting Privileges: Staff doesn't share with the Board and the public that Diamond Peak agrees to allow lift line cutting privileges³⁷. This is a benefit many ski areas charge a premium. Yet here DPSEF pays nothing. Shouldn't Diamond Peak be realizing something for this benefit? Again, you come up with a number.

Preferred Early Access For Ski Race Training: Staff doesn't share with the Board and the public that Diamond Peak makes its slopes available exclusively to DPSEF *before* Diamond Peak opens to the public. This is a benefit many ski areas charge a premium (especially for powder mornings). Yet here DPSEF pays nothing even though Diamond Peak is incurring additional employee and utility costs to open several hours earlier. Shouldn't Diamond Peak be realizing something for this benefit? Again, you come up with a number.

Conclusion: So you tell me. Does all of this sound like only \$16,448 worth of loss revenue? Does it not sound like close to \$1M or more of DPSEF benefits subsidized by the RFF? Although staff assert Diamond Peak benefits financially as a result of the proposed agreement³⁸, it fails to demonstrate, as I have demonstrated, exactly how much and from who! Although staff points to \$23,000 in season passes each year, isn't this disingenuous because wouldn't the approximate 130 DPSEF resident-participants purchase Diamond Peak season passes whether/not there were a ski team?

Past Boards have directed staff to operate the public's recreational facilities, and Diamond Peak in particular, on a revenue neutral basis. Yet on average over Diamond Peak's history, this has rarely if ever occurred. For a program which costs local parcel/dwelling unit owners so much, and benefits so few, it should be eliminated. If the DPSEF wants to make Diamond Peak its home, that's fine. But because it charges participants in its program tuition, shouldn't it be required to pay all costs associated with Diamond Peak rather than relying upon the involuntary financial subsidy of over 8,000 local parcel/dwelling unit owners?

And You Wonder Why the RFF Which Has Financed This Colossal Giveaway to Another Special Interest Group is Out of Control? I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog Because No One Else Seems to be Watching).

³⁷ ¶7 of Exhibit "B" to the proposed agreement (see page 23 of the 1/24/2018 Board packet).

³⁸ See page 9 of the 1/24/2018 Board packet.

EXHIBIT "A"

2017-2018 Season Pass Form: Diamond Peak Ski Team (DPSEF)



Season Pass Age: determined by passholder's age on 12/1/17
 After 12/1/17 categories are determined by age at time of purchase

	IVGID Picture Pass Holder		DPSEF Member/Parent			Regular/Siblings		
	Early Bird 3/18-4/30	Preseason Sale 5/1- close	Early Bird 3/18-4/30	Preseason Sale 5/1- 10/31	Regular 11/1 - close	Early Bird 3/18-4/30	Preseason Sale 5/1-10/31	Regular 11/1-close
Full Pass – No Blackouts								
Adult (24-64)	\$289	\$299	\$299	\$309	\$359	\$379	\$429	\$479
Youth (13-23)/College	\$139	\$149	\$149	\$159	\$199	\$219	\$239	\$259
Child (7-12)/Senior (65-69)	\$109	\$119	\$119	\$129	\$159	\$159	\$169	\$189
Super Sr. (70-79)	\$29	\$39	\$39	\$49	\$59	\$139	\$149	\$169
6 & under / 80+	Free	Free	Free	Free	Free	Free	Free	Free
Midweek Pass – Not Valid Holiday Periods (12/23- 1/7; 1/13-15; 2/17-25); Valid Weekends Starting 3/1								
Adult (24-64)	\$215	\$225	\$225	\$235	\$309	\$279	\$309	\$339
Youth (13-23)/College	\$109	\$119	\$119	\$129	\$159	\$179	\$199	\$219
Child (7-12)/Senior (65-69)	\$89	\$99	\$99	\$109	\$129	\$139	\$149	\$169
Super Sr. (70-79)	\$20	\$30	\$30	\$40	\$50	\$119	\$129	\$149
6 & under / 80+	Free	Free	Free	Free	Free	Free	Free	Free

- Pre-season prices extended for DPSEF Members/Parents who are IVGID Picture Pass holders.
- Siblings do not qualify for DPSEF discounts or sale extension.
- College Pass: Must present Winter 17-18 college ID & course schedule (12+ units)

Last Name

1. Name (First & Last) _____ Birthday _____
 Mailing Address (required) _____ Mail Pick Up
 City _____ State _____ Zip _____
 Email (required) _____ Phone _____

IVGID Picture Pass Holder Male / Female Full Pass / Midweek Pass Cost \$ _____
 STAFF ONLY: Waiver Needed Photo Needed

Transaction #

2. Name (First & Last) _____ Birthday _____
 IVGID Picture Pass Holder Male / Female Full Pass / Midweek Pass Cost \$ _____
 STAFF ONLY: Waiver Needed Photo Needed

3. Name (First & Last) _____ Birthday _____
 IVGID Picture Pass Holder Male / Female Full Pass / Midweek Pass Cost \$ _____
 STAFF ONLY: Waiver Needed Photo Needed

4. Name (First & Last) _____ Birthday _____
 IVGID Picture Pass Holder Male / Female Full Pass / Midweek Pass Cost \$ _____
 STAFF ONLY: Waiver Needed Photo Needed

5. Name (First & Last) _____ Birthday _____
 IVGID Picture Pass Holder Male / Female Full Pass / Midweek Pass Cost \$ _____
 STAFF ONLY: Waiver Needed Photo Needed

Order #

PAYMENT OPTIONS: Credit Card Cash Check # _____ Date _____ Amount Collected \$ _____
 Credit Card Number _____ CVV# _____ Expiration Date _____
 Name (as it appears on card) _____ Billing Zip Code _____

Signature: _____ Date: _____

IVGID 1-24-18 Board of Trustees Meeting Public Comment

By: Linda Newman – to be included with the Minutes of the Meeting

IVGID governs with a brutal dishonesty. What is transparent is its blatant corruption.

Tonight's agenda illustrates the District's dishonesty, the transfer of public funds to subsidize a private charity, fraudulent financial information on the District's Utility Fund, District Counsel's false, misleading and contradictory claims along with his reinterpretation of Nevada law and District policies to cover up the crimes of Mr. Eick's false representations to the Board and the County and his sale of three parcels of public land designated as Open Space to private buyers without Board approval or a public process. Equally important is the General Manager and Legal Counsel's expenditure of tens of thousands of our dollars to litigate against FlashVote to prevent the public from giving feedback to our Trustees. The latter is only one part of the District's unrelenting campaign to silence our citizens from having a voice in our governance as our Chair, General Manager, Director of Finance and General Counsel continue to violate the spirit of Nevada Open Meeting Laws and deny citizens access to all public records in defiance of the Nevada Public Records Act.

As three minutes does not provide adequate time to shed light on all the agenda items, I leave you with the following questions:

1. How can an IVGID employee who is entrusted with the District's Finances, Technology and Risk Management NOT BE HELD ACCOUNTABLE after he makes false representations to the Board and County, takes actions that invalidate his representations, fails to provide required disclosures in the District's Comprehensive Annual Financial Reports, and violates Nevada laws?
2. How can the General Manager and District Legal Counsel initiate litigation against private citizens and local businesses and determine the disposition of settlement offers without Board approval in a public meeting and the Board's approval of the appropriation of public funds?
3. How can the Director of Finance state that the Utility Fund has an adequate fund balance in compliance with District Policies and Practices when an accurate

accounting of its cash outflows and repurposing of Effluent Pipeline reserves – actually show that the Utility Fund does not have adequate working capital nor adequate reserves for the Effluent Pipeline?

4. As for the DPSEF Agreement – Why is this Board committing future Boards and our Citizens to subsidizing this Foundation for the next five years? Wouldn't it be prudent to evaluate this relationship annually? Where is the existing contract? Where is DPSEF's required annual financial reporting required under District Policy 132? As this has been a long term relationship, where is the District's actual accounting of the actual amount of annual subsidies provided? And shouldn't the Community, along with the Board, determine if and how much public funds should be used for this purpose?

And finally, why do Trustees Wong, Horan and Morris fail to exercise their fiduciary duties and deprive us of honest services by failing to supervise and hold Senior Staff and Legal Counsel accountable?

Incline Village General Improvement District
Re: January 10th meeting.
Steve Dolan

January 24, 2018

**Next time you decide that you can't go on with your agenda,
and you face the faces that expect what you want to give, but can't,
please do not insult your efforts by running.**

Please look to each other for a moment of unity,

a moment of discourse,

if only for we who have altered our lives to accommodate you,

and your schedule.

We deserve better.

Opportunistic freedom often leaves behind unexplored opportunities.

Penance is not required, clarity is.

You walked away from the few who care.

If ever this moment offers itself again

respect it, as our attendance does you.

Show courage

and be not silenced by a matrix of litigious intimidation.